STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940 S023,0099 Task 10#2117

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

* * * * * * * *

| GENERAL INFORMATION (Rule R647-3-104) | | | |
|--|--|--|--|
| Name of Mine: Maynard Topaz Mine | | | |
| Legal name of entity (or individual) for whom the permit is being requested: | | | |
| Type of Business: Corporation (<a>X) LLC () Sole Proprietorship (dba) () Partnership () General or limited Or: Individual () | | | |
| Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov . Are you currently registered to do business in the State of Utah? Entity # | | | |
| Local Business License # (if required) Issued by: County or City | | | |
| Contact Person(s) Name: Bryan Lees / Graham Sutton Title: owner / manager Address: P.O. Box 1169 City, State, Zip: Golden, CO 80402 Phone: 303-915-4645 Fax: 303-278-9763 Emergency, Weekend, or Holiday Phone: 303-115-4645 E-mail Address: graham @ collectorsedge.com Et person to be notified for: permitting (x) surety (x) Notices (x) (please check all that | | | |
| | | | |

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| | Name: Graha-Sutton Title: Gan ngr Address: 900 1165 City, State, Zip: Golden CO 80402 Phone: 303 9/5 4/645 Fax: 303 278 5724 Emergency, Weekend, or Holiday Phone: 303 9/5 4/645 E-mail Address: Graham & Collectors edge, Com | | | | | | | |
|--|---|--|--|--|--|--|--|--|
| Contact apply) | Contact person to be notified for: permitting () surety () Notices () (please check all that apply) | | | | | | | |
| | Registered Utah Agent (as identified with the Utah Department of Commerce) (if individual leave blank): Name: Janes lowis Address: 37 N Batch Cassing from City, State, Zip: Confrol Uf 8 4727 Phone: 43560 CM Fax: E-mail Address: Julewis Backl, Com | | | | | | | |
| 4. | If Business is a Sole Proprietor: | | | | | | | |
| | Name of Owner: Title: | | | | | | | |
| | Business Address: | | | | | | | |
| | City, State, Zip: | | | | | | | |
| | Phone: Fax: | | | | | | | |
| | E-mail Address: | | | | | | | |
| | If Business is a Corporation: Name of Officers: Brysn Locs Title: president Title: Title: Title: Title: | | | | | | | |
| | Headmarker Address 100h 1100 | | | | | | | |
| Headquarters Address: POB 1166 City, State, Zip: Golden CO 8040h Headquarters Phone: 303 278 974 Fax: 303 278 976 E-mail Address: Noyan D collectors edge, Com | | | | | | | | |
| | If Business is a Limited Liability Company: Member Managed Manager Managed Name of 1 st Member/Manager:Title: | | | | | | | |
| | Business Address: | | | | | | | |
| | City, State, Zip: | | | | | | | |
| | Phone: Fax: | | | | | | | |
| | E-mail Address: | | | | | | | |
| | Name of 2 nd Member/Manager:Business Address: | | | | | | | |
| | City, State, Zip: | | | | | | | |
| | City, State, Zip: Phone: Fax: Fax: | | | | | | | |
| 1 | E-mail Address: | | | | | | | |
| | If Business is a Partnership: Name of Partner: Business Address: | | | | | | | |
| ì | Phone: Fax: | | | | | | | |
| | Phone: Fax: Fax: | | | | | | | |

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| 5. | Ownership of Land Surface: | | | | | |
|---|--|--|--|--|-------------------|--|
| | Private (Fee) ■ Public Domain (BLM) ■ National Forest (USFS) ■ | | | | | |
| | State Trust Land/School Sections ■ State Sovereign Lands ■ | | | | | |
| Other (please describe): | | | | | | |
| | Name Address | | | | | |
| | Name Address | | | | | |
| | Name Address | | | | | |
| | Name Address | | | | | |
| 6. | Ownership of Minerals: | | | | | |
| | Private (Fee) ■ Public Domain (BLM) ■ National Forest (USFS) ■ | | | | | |
| | State Trust Land/School Sections ■ State Sovereign Lands ■ Other (please describe): | | | | | |
| | | | | | | |
| | Name Address | | | | | |
| | Name Address | | | | | |
| | Name Address | | | | | |
| | Name Address | | | | | |
| | BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): | | | | | |
| Utah State Lease Number(s): ML 50 8 5 7 | | | | | | |
| | | | | | Name of Lessee(s) | |
| 7. | Have the above surface and mineral owners been notified in writing? Yes No | | | | | |
| | If no, why not? | | | | | |
| | | | | | | |
| | | | | | | |
| Mining al Explorati Lands Ad | e advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and lone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. In on or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust diministration prior to commencing any activities. Please contact the School Institutional Trust diministration (SITLA) at (801) 538-5508 for notification requirements. | | | | | |
| 8. | Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice? Yes No | | | | | |
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| 11. | PROJECT LOCATION & MAP (Rule R647-3-105) | | | | | |
|------------|---|--|--|--|--|--|
| 1. | Project Location (legal description): | | | | | |
| | County(ies): | | | | | |
| | 5W 1/4, ofNE1/4, ofSE1/4: Section:/Lb Township: _SIZ Range: _w II NW 1/4, ofSW1/4, ofSE1/4: Section:/Lb Township: _SIZ Range: _w II 1/4, of1/4, of1/4: Section: Township: _SIZ Range: _w II Range: _w II Range: _w II | | | | | |
| | JTM East(if known) UTM North(If known) | | | | | |
| | Name of Quad Map for Location: Duywy ps55 | | | | | |
| 2. | Location and Operations maps must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section. a. The general location map must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads. b. The operations map (1"=200' or other scale as determined necessary by the Division) must be labeled and identify: i. The area to be disturbed; ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and iii. Any adjacent previous disturbance for which the operator is not responsible. (Contact the Division for a list of consultants and land surveyors for mapping assistance.) | | | | | |
| 3. | The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye. | | | | | |
| III. g | DPERATION PLAN (Rule R647-3-106) | | | | | |
| 1. | Type of mining: Surface Underground | | | | | |
| 2. | Mineral(s) to be mined: | | | | | |
| 3. | Amount of material to be extracted, moved, or proposed to be moved: 25,000 tons Rhyolite Guerbarda will be moved to look for the | | | | | |
| 4. | Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? | | | | | |
| 5. | Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). an open pit to expose crystal bearing areas will be excavated and any crystals will be excavated by hand. | | | | | |
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| 6. | New Road(s): Length(ft) Width(ft) | | | | | | |
|---|--|--|--|--|--|--|--|
| 7. Improved Road(s): Provide a description of the improvements that need to be made to existing roads to access the site, including the Length (ft) and Width (ft) of improvements. | | | | | | | |
| 8. | Total project surface acreage to be disturbed : (acres) PLEASE SPECIFY <u>EXACT</u> ACREAGE - (this will be used to determine surety bond amount – see #VI). | | | | | | |
| 9. | Proposed startup date (month, year) | | | | | | |
| 10. | Proposed completion date, if known (month, year) | | | | | | |

OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109) IV.

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.utah.gov.

- Keep the mining operation in a safe, clean, and environmentally stable condition. 1.
- Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry. 2.
- Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged 3. in the subsurface to prevent aquifer contamination.
- Construct berms, fences, or barriers, when needed, above highwalls and excavations. 4.
- Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state 5. regulations.
- Remove all waste or debris from stream channels. 6.
- Dispose of any trash, scrap metal, wood, machinery, and buildings. 7.
- Conduct mining activities so as to minimize erosion and control sediment. 8.
- Reclaim all roads that are not part of a permanent transportation system.
- 10. Stockpile topsoil and suitable overburden prior to mining.
- 11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- 12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
- 13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- 14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed. APPROVED

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V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

| Are variances being requested? Yes No 1st Variance Requested | | | | | | |
|---|--|--------------------------------|---------------------|--|--|--|
| Item# Justification: | Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed) | | | | | |
| Alternate metho | ods or measure to be utilized: | | | | | |
| 2 nd Variance Re | equested | | | | | |
| Item# Justification: | Applicable Rule # | | | | | |
| Alternate metho | ods or measure to be utilized: | | | | | |
| 3 rd Variance Re | quested | | P | | | |
| Item # Justification: | Applicable Rule # | 3 LG - | 7 | | | |
| Alternate methods or measure to be utilized: | | | | | | |
| ttach additional pa | age if more variances are requested. | MINING | 3 | | | |
| I. SURETY (| Utah Code Ann. §40-8-7(1)[c]) | ត្ត | | | | |
| ommencement eclamation surety | ntract and surety must be provided to and approved by the Di of operations. All mining operations are required to furnish and m to guarantee that the land affected is reclaimed (Utah Code Ann. | naintain §40-8-7 | 7(1)[c] | | | |
| The amour guide, alon every three upon accep | ints are based on data from current large mine surety and are used g with actual site conditions. Reclamation surety for small mines is (3) or five (5) years and adjusted as necessary for inflation/deflationable Costs Index. Contact the Division for the dollar amount for five (5) year period for this project. | as a ge s reviev on base | eneral ved ed | | | |
| certificate of De | ill provide surety in the form of: oosit Letter of Credit Surety Bond Cash (certifie (please identify) undecided | |) | | | |
| m MR-SMO 132007 | ,,, | | Page 6 | | | |

VII. PERMIT FEE (Utah Code Ann. §40-8-7(1)(i))

A permittee's authorization under a notice of intention to conduct small mining operations shall require the paying of permit fees as authorized by the Utah Legislature (R647-3-102.5). Permit fees are assessed to new and existing small mining operations, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee, which must accompany this application, or the Division cannot process it.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)

30%

I have enclosed the required permit fee.

I have enclosed/requested a Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.

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I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. This certification must be signed by: (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; or (4.) the member or manager if applicant is a limited liability company.

| Signature: By Toles | Date: JANUARY 3, 200 8 |
|---|------------------------|
| Name (typed or printed): Bryan K. L | .ces |
| Title/Position (if applicable): Tresident | |

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UTM 12 324639E 4397908N (NAD83/WGS84)

USGS Topaz Mountain East (UT) QuadrampleCEIVED

Projection is UTM Zone 12 NAD83 Datum

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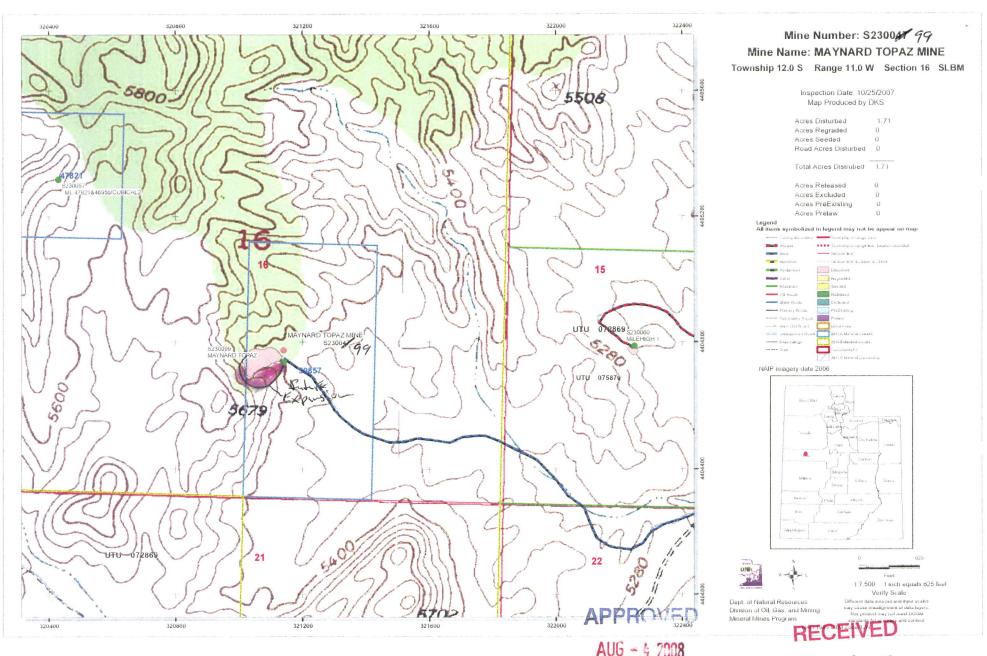
DIN OIL GAS & BRITISHING

M=12.836

G = -1.308

15 km

10 mi

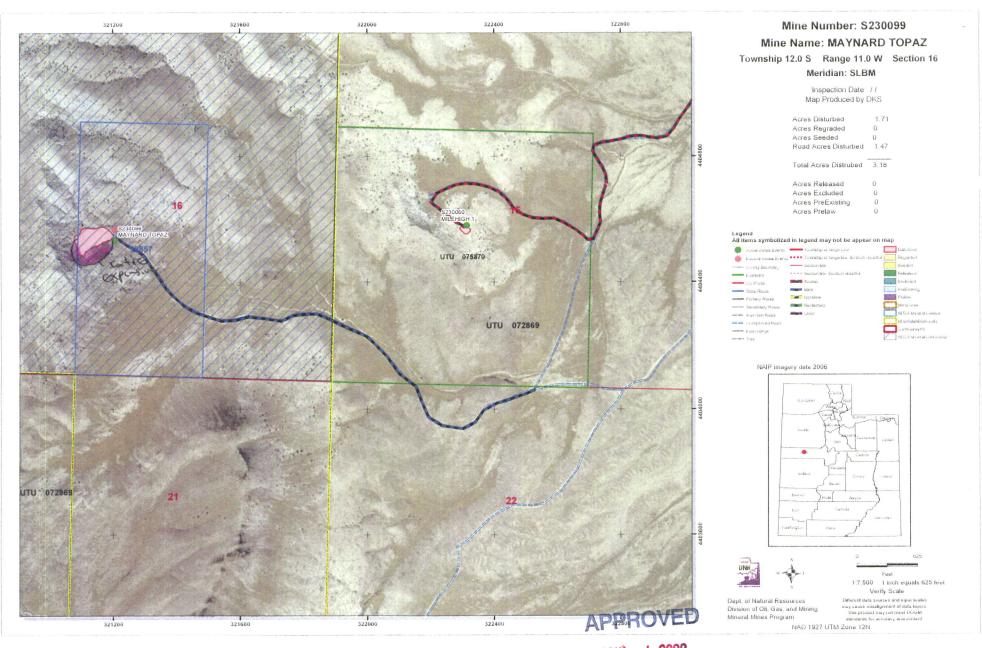


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